



STRATEGIES FOR EXPIRING AND AT RISK AFFORDABLE HOUSING IN SAN DIEGO COUNTY

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April 18, 2018

What Do We Mean By *Affordable Housing*?

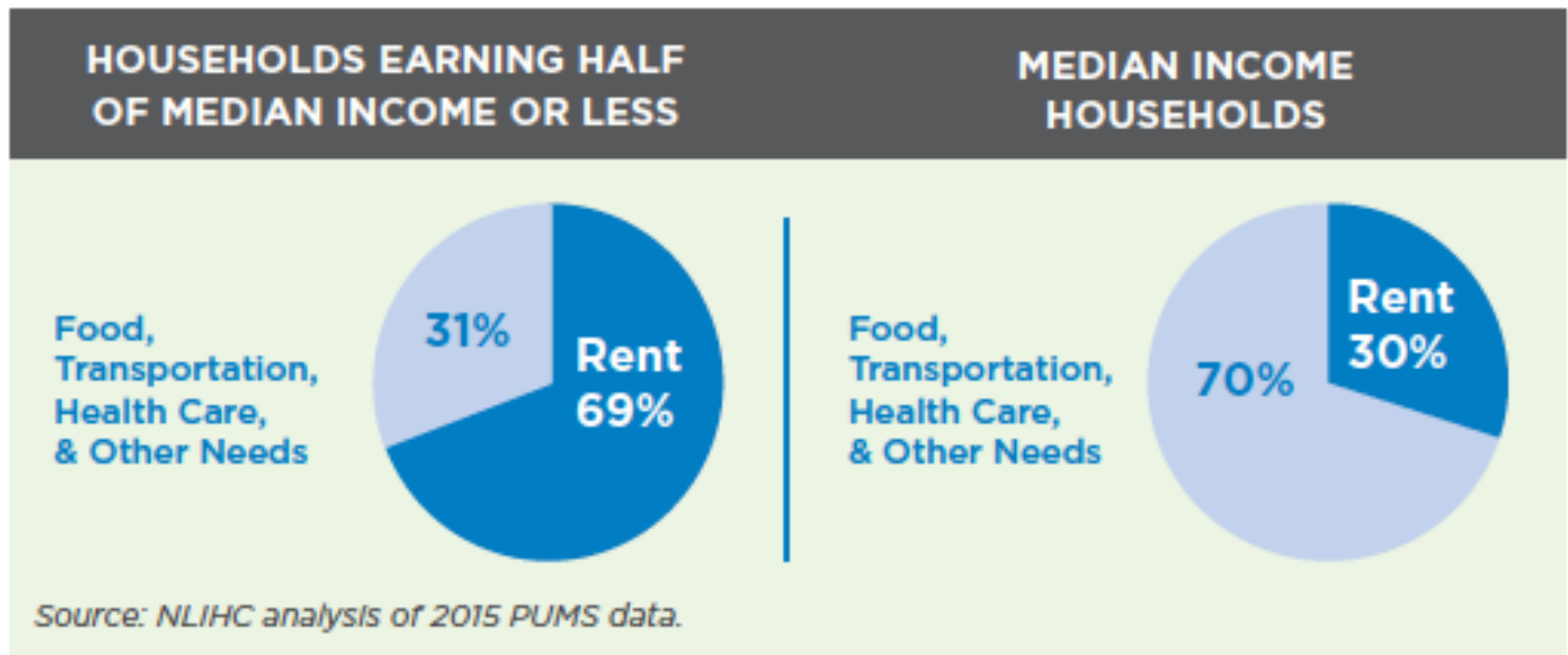
- *Affordable housing* is rent-restricted and/or rent-assisted such that it is affordable to households earning 60% or less of Area Median Income (AMI)
- Housing costs are *affordable* when households pay no more than 30% of income for rent and utilities
- *Rent burden occurs* when households pay $\geq 30\%$ of their income for housing costs
- *Severe rent burden* occurs when households pay $\geq 50\%$ of income for housing costs

What is Low Income & Affordable Rent in SD County?

Income Level	4-Person Household	Affordable Rent
80% AMI	\$77,840	\$1,946
70% AMI	\$68,110	\$1,703
60% AMI	\$58,380	\$1,460
50% AMI	\$48,650	\$1,216
40% AMI	\$38,920	\$973
30% AMI	\$29,190	\$730

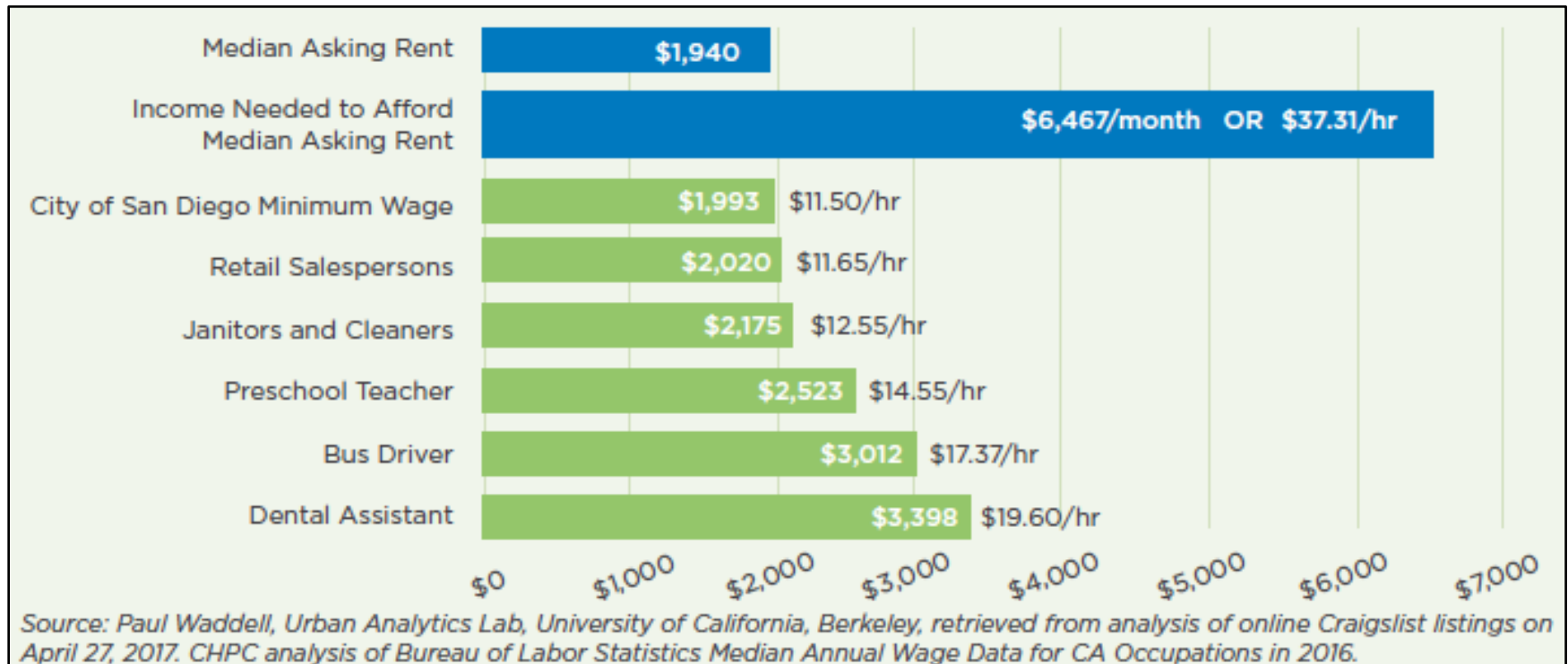
Where Do Low Income Renter Wages Go?

Low income renters that cannot find affordable homes spend 69% of their income on rent



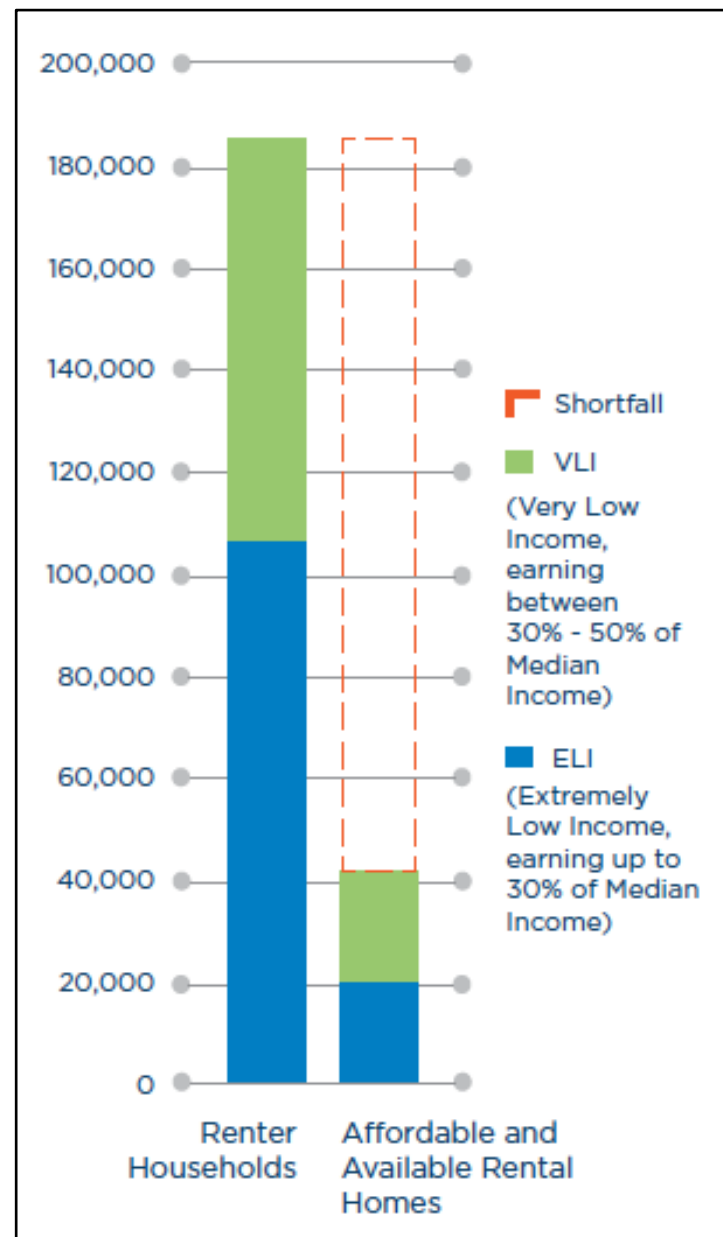
Who Are San Diego County's Low Income Renters?

Rapidly rising rents and low wages make it increasingly difficult for renters to be able to affordable homes



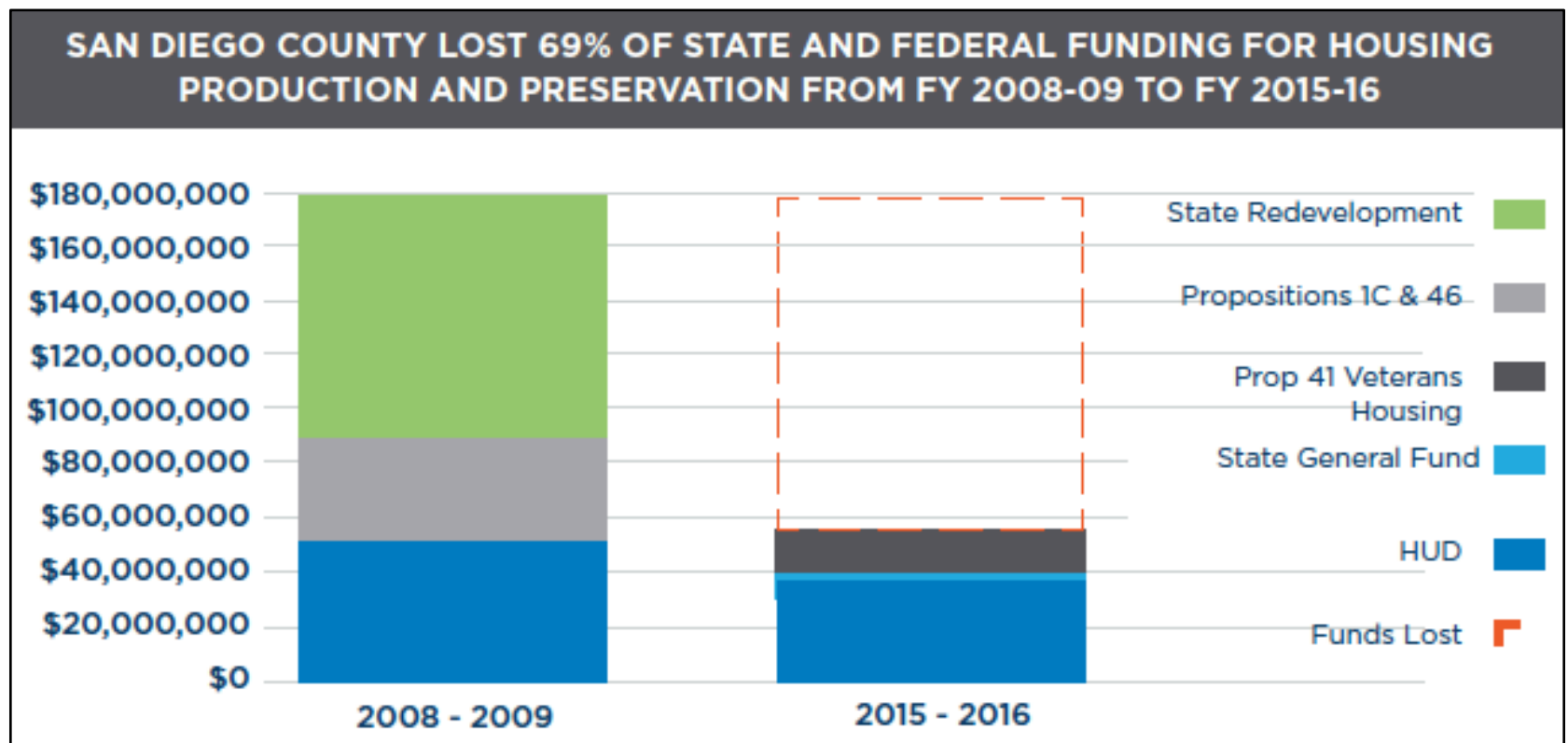
San Diego County

In San Diego County, there is a shortfall of over **142,000** affordable homes for low-income renter households - **14,000** more than in 2014



San Diego County's Dwindling Resources

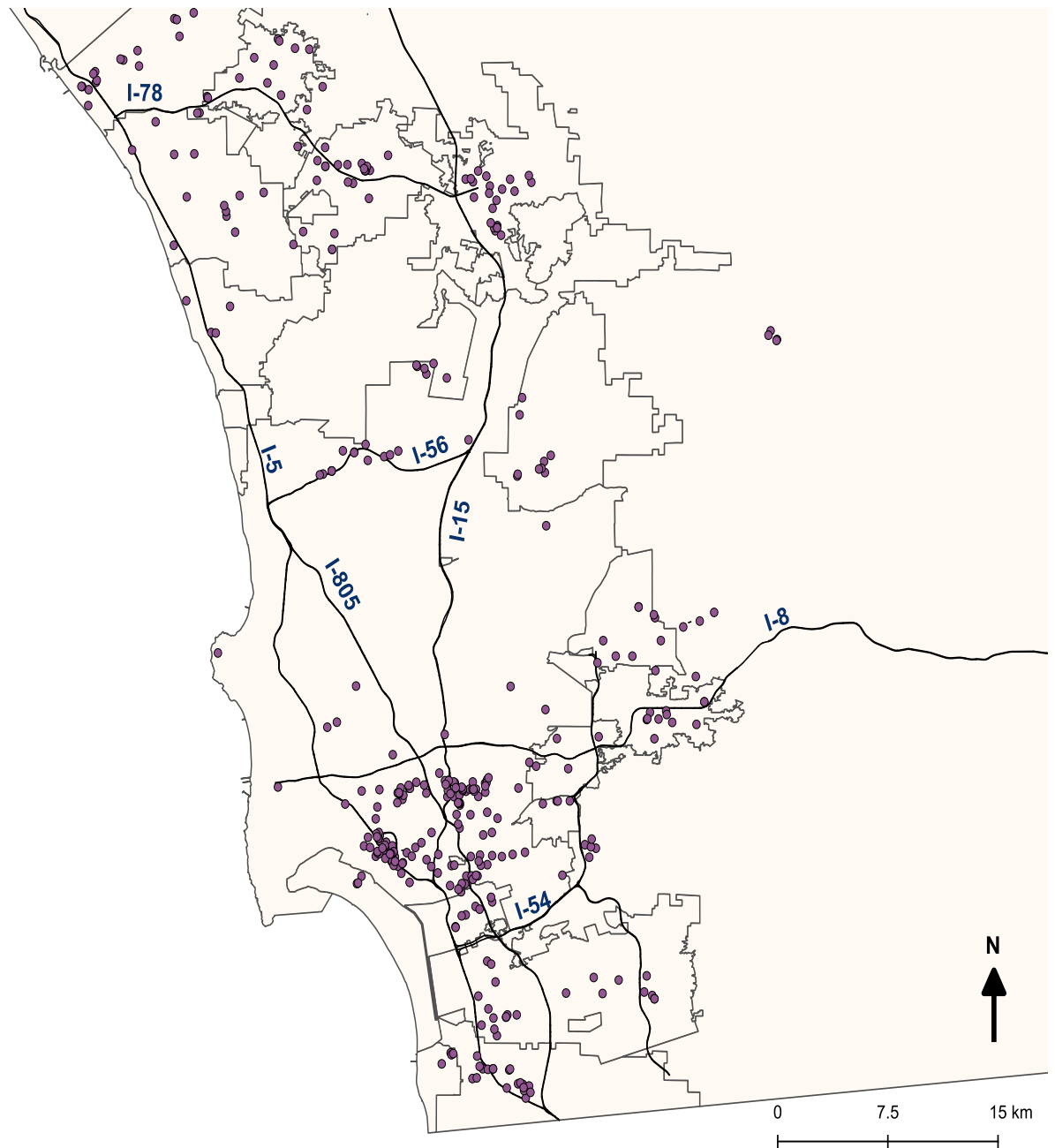
Funding losses at the state and federal level leave little resources to try and make up for the shortfall



Loss of Affordable Homes in San Diego County 2000-2017

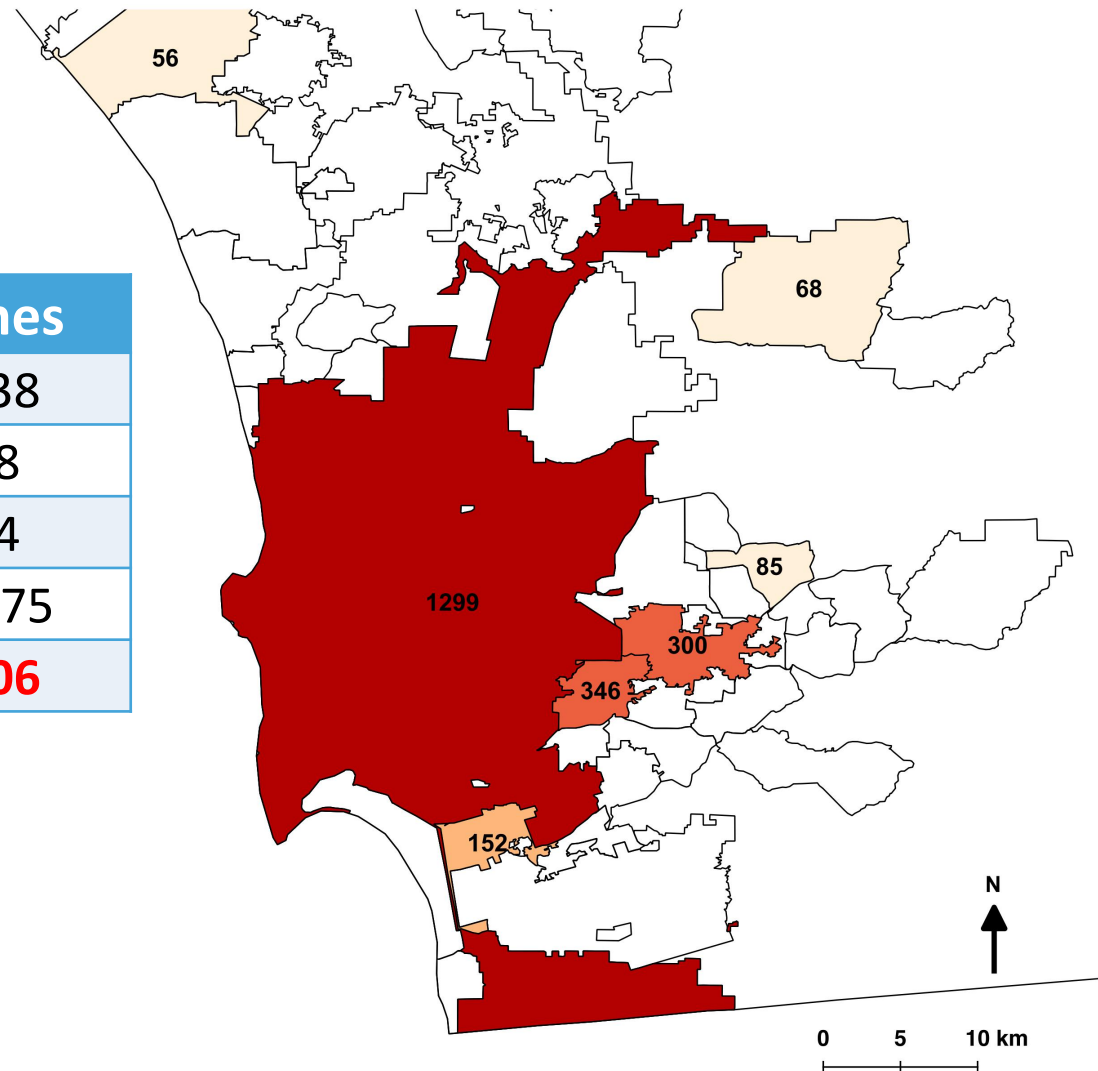
City	Homes Lost
Escondido	102
Lemon Grove	150
National City	126
Oceanside	23
San Diego	701
Santee	109
Vista	25
Total	1,236

Affordable Housing in San Diego County



Affordable Housing At-Risk in San Diego County

Risk Level	Homes
Very High	1,538
High	768
Moderate	824
Low	29,075
Total At-Risk	2,306



State Preservation Notice Law

- Requires State HCD to monitor and enforce Notice Law with focus on properties $\geq 25\%$ affordable with more than five homes
- 36-month, 12-month, and 6-month advance notice for tenants
- 12-month, 6-month advance notice for affected public entities
- Tenants and local governments have the right to enforce the Law and to obtain attorney fees
- Owners must annually certify that they are in compliance

State Preservation Notice Law (cont.)

- Certified Qualified Entities (QEs) have Right of First Refusal to purchase a property that is for sale
- Requires owners to sell to QEs at market value determined through appraisal process
- Owners declining to sell must promise not to sell or eliminate affordability for five years under penalty of perjury
- HCD is working with CHPC to expand their database to provide improved technical assistance to local governments
- HCD Guidelines should be available Fall/Winter 2018.

Best Practices in Affordable Housing Preservation

- Develop Local Government Capacity by hiring/designating a Preservation Coordinator
 - Work with the State to implement Guidelines for State Preservation Notice Law
 - Work with City to agree on a standard set of database fields and adopt a standard protocol for sharing data
 - Develop (or obtain access to) and maintain a comprehensive database of all affordable housing
 - Annually analyze the risk of conversion to the highest risk properties by:
 - Adopting a risk assessment methodology
 - Developing a relationship with asset managers at HUD and HCD to obtain early warning of potential conversions
 - Contacting owners of highest risk properties to determine their intentions and explore preservation options

Best Practices in Affordable Housing Preservation

- Expand Technical Assistance to owners and tenants
- Strengthen Regulatory Protections For Tenants
- Develop Better Financial Tools
 - Increase funding for preservation purchases
 - Prioritize preservation in areas that have recently gentrified, and are near high quality transit
 - Require long-term affordability restrictions in return for financial assistance

QUESTIONS?